

**Worldwide Cancer Research
Limited by Guarantee**

**Directors' report and financial statements
for the year to 31 December 2022**

Company number SC152991

Charity number SC022918

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Company information

| | | |
|------------------|--|---|
| Directors | David MB Sole OBE Rosalind A Cuschieri BSc (Hons) ** Jane S Brydon Julia M Porter Sue E Hunter LLB (Hons), Dip LP, APFS CFP Prof Kevin J Hiom BSc PhD Prof Iain A McNeish MA, BM BCh, PhD, FRCP Beverley J Brookes BA (Hons) Prof Paul J Coffey BA, PhD Chris Clark MA (Hons) | (Committees: A, N chair, F, R)* (Committees: N) (Committees: R chair, N) (Committees: F chair) (Committees: A) (Committees: RS) (Committees: RS) (Committees: F) (Committees: RS chair) (Committees: A chair, R) |
|------------------|--|---|

** Rosalind Cuschieri resigned 31 March 2023

Chief executive Dr Helen Rippon BSc (Hons) PhD

Secretary Adam Cobham MA(Hons) CA

Registered office 1st Floor, Canning Exchange
10 Canning Street
Edinburgh
EH3 8EG

Auditors Henderson Loggie LLP
Chartered Accountants
11-15 Thistle Street
Edinburgh
EH2 1DF

Bankers The Royal Bank of Scotland plc
South Street
St Andrews
Fife
KY16 9QB

Investment advisors Brewin Dolphin Ltd
Sixth Floor, Atria One
144 Morrison Street
Edinburgh
EH3 8BR

Solicitors Thorntons Law LLP
Kinburn Castle
St Andrews
Fife
KY16 9DR

Charity number SC022918

* A: Member of Audit Committee F: Member of Fundraising Committee N: Member of Nominations Committee
R: Member of Remuneration Committee RS: Research Strategy Committee

Directors' report

General

The Directors have pleasure in presenting their annual report and the financial statements of the charity for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

Worldwide Cancer Research's vision is to see a day when no life is cut short by cancer by starting new discoveries worldwide. The charity stands for people with cancer, with its objectives focused on ending their suffering and enhancing their quality of life by promoting, funding and supporting new strands of scientific research that meet four key criteria:

- Starting new ideas
- Exciting and creative
- Scientific quality
- Transformative impact

It is by funding research of this nature, and promoting publication of its findings, that Worldwide Cancer Research seeks to accelerate progress in the understanding of cancer and finding new methods of prevention, diagnosis and treatment.

In recent years we have typically funded 20 to 25 early stage cancer research projects a year representing £4m to £5m of charitable activities funding. The charity has a 10 year strategy for significant growth with the ambition to fund £20m of new research, or 100 new research projects, annually. Achieving this level of research funding is underpinned by a 'Curestarter' fundraising strategy centred on major growth and diversification in fundraising income. Investment in fundraising now is critical to delivering sustained, higher levels of research funding in the medium term.

Historically, the key fundraising income streams were monthly direct debit giving and a rolling prize draw programme, creating sustainable cash flow into the charity. These supporters continue to be the lifeblood of the charity, but the Board recognised in 2019 that supporter numbers must be increased and fundraising activities diversified to ensure the long term stability of the charity. The principal impact of the pandemic on Worldwide Cancer Research was to delay plans for planned investment in 2020, and to some extent also in 2021, to increase awareness of its work, the number of its supporters and its income.

In 2022 the planned investment went ahead including

- significant acquisition of new regular giver and cash supporters,
- establishing a strong pipeline of potential supporters including for Legacies and Individual Giving
- early progress on diversification of income on Philanthropy, Trusts & Foundations and Events

The 'Curestarter' fundraising strategy which is now being delivered focuses on modernisation and diversification through community building. The charity seeks to build a community of Curestarters by improving and modernising its individual programme via digital transformation and widening our philanthropic reach through trusts and major donors.

The increased investment in fundraising will be delivered in parallel with funding research at a higher level, gradually stepping towards the £20m research funding target as we grow fundraising income. This is now being delivered with £5.4m of research funded in 2022 (2021: £4.9m), £6.2m after taking account of co-funding (£5.3m in 2021).

Directors' report *(continued)*

Objectives and activities *(continued)*

The funds raised by the charity are reduced by the cost of raising the funds and the governance costs of the charity. The Board aims to ensure costs are kept to a minimum, while ensuring proper controls, procedures and governance are upheld. These efforts aim to maximise the net availability of funds for the support of high quality cancer research and also to ensure the resilience and long-term sustainability of income.

Worldwide Cancer Research's policy for grant making is to award grants only to projects which meet demanding criteria set by the charity's Research Strategy Committee. These criteria are then used by the Scientific Advisory Committee in its review of the grant applications and its awarding decisions. The Scientific Advisory Committee comprises 24 of Europe's leading researchers across a wide range of cancer-related fields.

The work of the Scientific Advisory Committee is further enhanced by a global peer review process involving over 1,500 scientists around the world, all of whom are specialists in their field. The procedures followed by the Committee and the peer reviewers are rigorous and make considerable time demands, all of which is provided on a voluntary basis.

While the Board may from time to time vary the grant making policy and determines the financial limit of funding, it does not interfere with the Scientific Advisory Committee's recommendations on project funding. The work of successful grant applicants is monitored through regular reporting and communication with the research team and their institution. Worldwide Cancer Research reserves the right to terminate grant funding in accordance with the contract with the grant holder. This would generally only be exercised if the terms of the grant award are not met.

Achievements and performance

Following a review of the charity's 10 year plan, the Directors agreed a multi-year strategy to utilise the prudent level of reserves built up through the pandemic and preceding years. This resulted in both a significant increase in investment in supporter acquisition and higher research funding in 2022.

Research Funding

The Directors were pleased to open a grant round during the year culminating in a decision to fund £5.4 million of new research in November 2022 comprising 30 new grants across 15 countries. This is an increase on the number and value of the grants awarded in 2021 (£4.9 million) and it also represents the highest level of funding and number of new grants the charity has awarded for five years. This is an important step towards the charity's 10 year objective of funding £20 million of new research each year. A key step towards this objective will be a move to running two grant rounds a year.

In addition, the charity successfully delivered five new research funding partnerships to co-fund research on 7 projects that meets the charitable objectives of each partner. These partnerships, with Cancer Australia, FC-AECC, Fondation ARC, Guts UK and Leukaemia UK, allow the charity to leverage the work of the Scientific Advisory Committee to ensure more research is funded overall. This record level of co-funding arrangements increased the total research funded from the £5.4m noted above to £6.2 million in total.

At December 2022, the charity had 71 active projects across 15 different countries. And a recent study of projects funded since 2008 showed that for every £1 we use to fund a research project, the scientist will secure on average an additional £4.43 in funding to take their idea to the next stage.

Fundraising performance

The charity also delivered strong fundraising income in 2022 with growth across all key income lines (Regular Giving, Cash, Events, Partnerships and Philanthropy) with the exception of legacy income which in 2021 benefitted from an unusually high number of high value bequests. The Board's strategy is to drive higher legacy income in the coming years, recognising the charity is underweight in this income stream in comparison to peers. There is ongoing investment to deliver this strategy but the Board also recognises the volatile nature of legacy income. Prize draw income also reduced in the year returning to anticipated levels after an unexpected spike in 2021 during the pandemic.

Directors' report *(continued)*

Achievements and performance *(continued)*

Critically we also commenced new supporter acquisition at scale in 2022 attracting 27,000 new curestarting supporters.

The charity also commenced the delivery of a new peer review service for another charity, utilising the team's extensive experience in this activity to generate additional income.

This performance was delivered despite the challenging fundraising environment, where the cost of living crisis presented headwinds in both retaining and recruiting supporters.

The Directors report that Worldwide Cancer Research ended the period with a strong reserves position that will enable the charity to continue to both fund higher levels of research funding and also support a higher level of investment in fundraising to secure greater, sustainable, levels of research funding in the medium term. This will further reduce the level of reserves held by the charity.

The Directors note that whilst the charity came through the pandemic in a robust financial position, there remain significant risks on the horizon including the significant economic and social issues such as the cost of living challenges which emerged over the last year which are expected to continue through 2023.

The Directors wish to thank all members of staff for their continuing commitment in a wide range of roles. Without the expertise, efforts and enthusiasm of the staff team Worldwide Cancer Research's work would be impossible, and it is thanks to all of them that the charity remains an inspiring place to work. Heartfelt thanks are above all given to our thousands of curestarter supporters. Every contribution is valued, no matter how large or small.

Financial review

The external environment remains challenging reflecting ongoing impacts of the COVID-19 pandemic, the cost of living crisis in the UK and wider macro economic volatility. The value of the charity's investment portfolio continued to be significantly impacted by market volatility and closed the year £2.2m lower than at the end of 2021. This reflects unrealised losses it is anticipated will reverse over time.

Despite this, the charity's financial performance has been robust.

- Retention of existing supporters has been strong despite the cost of living challenges.
- New supporter acquisition activity attracted 27,000 new curestarting supporters

Income for the period was £10.1 million (2021 - £10.8 million) with strong year on year performance on all key income lines except legacy income which in 2021 benefitted from an unusually number of high value bequests. Expenditure on charitable activities was £7.5 million (2021 - £6.7 million) principally reflecting the increase in the level of research grant funding awarded.

Fundraising costs for the period were £4.0 million (2021 - £3.0 million) as the charity made significant investment in new supporter acquisition. As a result there was a net deficit before unrealised investment losses of £(1.4) million, (£(3.8)m after unrealised investment losses).

The charity's accounting policy requires that all liabilities of whatever duration be accounted for each year. As a result of the Board's decision to run a net deficit, the net asset position as at 31 December 2022 was £7.6 million (2021 - £11.4 million). This includes the following.

- designated reserves of £4m held to support sustained higher levels of research funding over the next 2 to 3 years (2021 - £nil)
- £3.7 million (2021 - £11.36 million) of free reserves
- £26,213 (2021 - £48,586) tied up in fixed assets

The Directors are confident that existing cash of £6.4 million and investments of £13.6 million (2021 - £6.3 million and £15.8 million respectively) are more than adequate to cover all of the charity's liabilities.

Directors' report *(continued)*

Financial review *(continued)*

Under the Articles of Association, the Directors have wide powers to invest any funds which are not immediately required for the Company's activities. The charity has adopted an element of negative screening most notably in ensuring no investment in tobacco companies. A review of investment managers and investment policy was completed in 2021 with the appointment of new investment managers and a full review of the charity's investment policy.

Reserves policy and going concern

In 2022, the Board reviewed the approach to reserves and agreed a multi-year strategy to utilise the prudent level of years built up during the pandemic and preceding years. This resulted in investment in both higher levels of research funding in the year, and also supporting a higher level of fundraising to secure significantly greater levels of research funding in the medium term. Delivery of this strategy, alongside significant unrealised investment losses, reduced the total reserves held by the charity by £3.8m (33%) in 2022.

The Board's strategy is to continue this approach, running with an annual deficit for the next two to three years. This will gradually reduce the level of reserves held by the charity as we invest at a higher level in both research and fundraising. In support of this strategy the Board has designated £4m of the charity's reserves to support higher levels of research funding over the next two to three years.

In addition to net assets on the Balance Sheet, the Directors utilise a reserve test to ensure that Worldwide Cancer Research maintains a stable and liquid financial position so that it can meet all of its commitments when they are due. The reserve test requires that liquid assets (cash and investments) must be greater than 24 months of projected cash outflows for grant commitments plus 6 months of projected operating expenses. At the period end, the reserve test was passed by a margin of £4.6 million. The Directors therefore believe it is appropriate to present these financial statements on a going concern basis.

Plans for future periods

Worldwide Cancer Research's key goals are to open for applications for grant funding in the new fiscal year, to ensure the charity retains its financial stability and to continue with plans to invest in fundraising initiatives to significantly increase the number of supporters of the charity. As noted above, over the longer term, the charity has a 10 year plan for significant growth with the ambition to fund £20m of new research, or 100 new research projects, annually. Achieving this level of research funding is underpinned by a fundraising strategy centred on major growth and diversification in fundraising income.

Key investment areas for 2023 include a continuation of the face to face acquisition campaign to attract new regular giving supporters and continued acquisition of rolling prize drawer players and cash donors. Investments will also continue to be made on our philanthropic activity, investing in establishing a high value giving club and events programme, whilst improving our Legacy pipeline, a key area of growth for the charity's ambitions.

The Board also anticipates earning income as a result of current negotiations with a research institution which has led a spin out and IPO based partly on research funded by the charity.

The charity intends to continue to increase spend on charitable activities alongside the investment in growing fundraising income. The Directors will continually assess fundraising and financial performance in order to ensure these goals can be met, recognising that significant growth may take several years.

Structure, governance and management

Worldwide Cancer Research is a private company limited by guarantee, governed by a Memorandum and Articles of Association and is a registered charity (Charity Number SC022918). The liability of the members is limited to £1. Permission has been granted by the Secretary of State for Business, Energy and Industrial Strategy for the word "Limited" to be omitted.

Directors' report *(continued)*

Structure, governance and management *(continued)*

The Directors are the Trustees of Worldwide Cancer Research. Strong governance structures are in place. The Board of Directors meets no fewer than four times per year. There are five committees of Directors: a Nominations Committee to oversee the recruitment of new Directors, an Audit Committee to supervise the charity's finances; a Fundraising Committee to oversee key elements of the charity's fundraising strategy, a Remuneration Committee to oversee the setting of remuneration policies, and a Research Strategy Committee to oversee the charity's research funding. During the year, the Nominations Committee reviewed the Board skills matrix and identified the requirement for a fundraising experienced trustee; recruitment for this role is currently underway.

The Board of Directors is responsible for the overall direction and control of the charity's activities. The Directors are independent and come from a wide range of backgrounds; any potential conflicts of interest are declared (Note 17 to the financial statements). Apart from approved expenses, no Director receives remuneration from Worldwide Cancer Research.

The Board of Directors seeks to ensure that its members possess the diverse skills and experience required for the good governance of the charity. Whenever a vacancy occurs, or is anticipated, a replacement candidate matching the Board's skill needs is sought by the Nominations Committee.

The procedure for subsequent appointment to the Board is set out in Worldwide Cancer Research's Articles of Association. No external body has any right of appointment to the Board.

It is the policy of Worldwide Cancer Research that any new Director thoroughly understands the aims and objectives of the charity and its methods of operation. Implementation of this policy starts before appointment to the Board via informal discussions with existing Directors and the Chief Executive and continues with on-going briefings and explanations. A package of induction materials is provided to new Directors on their appointment.

Induction and training ensure that Directors understand their statutory duties and responsibilities in general and, more specifically, with reference to Worldwide Cancer Research. Most of the current Directors have many years of experience of working in the charity sector but external training is brought to the attention of Directors and, where a need is identified, is supported by the charity.

Worldwide Cancer Research currently employs fewer than 50 staff. Fundraising and marketing activities by the charity's staff raise significant amounts of money, but a major part of fundraising is contracted out to third party agencies. Contract negotiations and ongoing monitoring ensure that the activities of third-party agencies are cost-effective and ethical. Training by charity staff, including the Chief Executive, emphasises a code of conduct to govern the relationship between fundraiser and potential donor. Any queries or complaints are dealt with promptly, by telephone or in writing as appropriate.

The Board of Directors discharges its responsibilities by well-informed and open discussion at meetings of the Board, and Board sub committees, which are always preceded by circulation of an agenda and relevant information papers. The aim of these meetings is to ensure that the Chief Executive and Senior Management team have a clear strategic and financial framework within which to exercise their delegated authority. Whilst the Board reserves to itself the authorisation of major capital expenditure, it delegates to the Chief Executive wide authority to act within plans and budgets approved by the Board.

The Chief Executive thus has powers sufficient for the day to day management of the organisation; she may, at her discretion, delegate powers to other members of staff. The Chief Executive is also required to identify and develop new policies and strategic ventures for consideration by the Board.

Board Performance

A review of Board performance is conducted annually. No significant findings were noted from the current year's review. Additional training was provided to Trustees reflecting feedback from the prior year performance review.

Directors

The Directors of the charitable company who held office at the date of this report are shown on page 1.

Directors' report *(continued)*

Structure, governance and management *(continued)*

Related parties

Professor Paul J Coffey has links with the University Medical Center, Utrecht, Professor Kevin J Hiom has links with the University of Dundee, and Professor Iain A McNeish has links with Imperial College London. Grants may be awarded to these Universities.

Risk management

The Directors assess the major risks to which Worldwide Cancer Research is exposed at every Board meeting in order to satisfy themselves that systems are in place to mitigate the exposure to those risks

The Directors have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity faces;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that the key risk is that the charity is unable to meet its research funding ambitions if income does not grow enough to support these ambitions by the time the designated reserves have been utilised. To address this, the charity continues to invest in a diversified fundraising strategy and to prudently manage expenditure in order to drive strong net income growth.

The charity is also faced by the risk of future poor performance in its investment portfolio. The Directors consider variability of investment returns to constitute the charity's financial risk. This risk is mitigated by the allocation of a significant portion of the portfolio to less volatile assets and is further mitigated by retaining expert investment managers, together with a diversified investment portfolio strategy.

The management of the charity and the Board are closely monitoring the current position in respect of the current economic environment including the impacts on investment valuations across the market.

Unrestricted funds and dividends

The Constitution of the charitable company specifically prohibits the distribution of income by way of dividend, bonus or otherwise to the members of the charitable company.

Key management

The Directors consider key management to be the Board of Directors, in terms of setting strategy and policy and assessing risk, and the Chief Executive Officer in terms of directing and operating the charity on a day to day basis.

The remuneration of the Chief Executive Officer is reviewed annually and may be increased in certain circumstances, including benchmarking against other charitable companies of a similar size and nature. No Director received any remuneration from the company, other than approved expenses. Details of remuneration and expenses are disclosed in note 7 to the financial statements.

Status of company and liability of members

On the winding up of the charitable company every member has undertaken to contribute to the assets of the charitable company for the payment of the debts and liabilities and of the cost of winding up of the charitable company, such amount as may be required not exceeding one pound. If the winding up occurs within one year of a member ceasing to be a member then the above applies for debts and liabilities of the charitable company contracted for before he ceased to be a member.

Directors' report *(continued)*

Structure, governance and management *(continued)*

Auditors

So far as each Director is aware there is no relevant audit information of which the auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of all relevant audit information and to establish that the auditor is aware of it.

The auditors have expressed their willingness to continue in office and will be deemed to be reappointed under Section 487 of the Companies Act 2006.

The financial statements and the report on pages 2 to 7 were approved by order of the Board of Directors:


David Sole - 2023-05-09, 12:42:34 UTC

David MB Sole
Chair

Statement of Directors' responsibilities

The Directors (who are also the Trustees of Worldwide Cancer Research for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Directors and Members of Worldwide Cancer Research

Opinion

We have audited the financial statements of Worldwide Cancer Research (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Directors and Members of Worldwide Cancer Research *(continued)*

Other information *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Directors and Members of Worldwide Cancer Research *(continued)*

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following were most relevant: FRS 102, Health and Safety; employment law (including the Working Time Directive); gambling regulations; and compliance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended);
- We considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations, including GDPR and employment law, and fraud;
- Review of correspondence with regulators including OSCR, the Gambling Commission and Health & Safety Executive;
- Review of legal fee expenditure and board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud, rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors

Independent Auditor's Report to the Directors and Members of Worldwide Cancer Research *(continued)*

Auditor's responsibilities for the audit of the financial statements *(continued)*

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of this report

This report is made solely to the Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Members and the charitable company's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its Members as a body and its Directors as a body, for our audit work, for this report or for the opinions we have formed.


Keith Macpherson – 2023-05-12, 08:32:33 UTC

Keith Macpherson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie LLP, Statutory Auditor
11-15 Thistle Street
Edinburgh
EH2 1DF

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2022

| 2022 | Note | Unrestricted funds £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|--|------|-------------------------|-----------------------|--------------------------|--------------------------|
| Income: | | | | | |
| Donations and legacies | 3 | 9,306,402 | 84,500 | 9,390,902 | 10,305,544 |
| Other trading activities | | 369,115 | - | 369,115 | 141,984 |
| Investment income | | 364,826 | - | 364,826 | 371,121 |
| Total income | | 10,040,343 | 84,500 | 10,124,843 | 10,818,649 |
| Expenditure: | | | | | |
| Raising funds | | 3,984,920 | - | 3,984,920 | 3,036,380 |
| Charitable activities | | 7,472,721 | 66,000 | 7,538,721 | 6,735,851 |
| Total expenditure | 6 | 11,457,641 | 66,000 | 11,523,641 | 9,772,231 |
| Net (expenditure)/income before gains and losses on investments | | (1,417,298) | 18,500 | (1,398,798) | 1,046,418 |
| Net gains/(losses) on investments | 9 | (2,412,985) | - | (2,412,985) | 761,001 |
| Net (expenditure)/income for the year | | (3,830,283) | 18,500 | (3,811,783) | 1,807,419 |
| Transfer between funds | | - | - | - | - |
| Net movement in funds | | (3,710,379) | 18,500 | (3,811,783) | 1,807,419 |
| Reconciliation: | | | | | |
| Total funds brought forward | | 11,437,285 | - | 11,437,285 | 9,629,866 |
| Total funds carried forward | 12 | 7,607,002 | 18,500 | 7,625,502 | 11,437,285 |

Balance sheet
as at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|------------|-------------|-------------|
| Fixed assets | | | |
| Tangible assets | 8 | 26,213 | 48,586 |
| Investments | 9 | 13,606,999 | 15,825,908 |
| | | <hr/> | <hr/> |
| | | 13,633,212 | 15,874,494 |
| Current assets | | | |
| Debtors | 10 | 1,816,994 | 2,099,768 |
| Short term bank deposits | | 6,422,939 | 5,839,227 |
| Cash at bank and in hand | | 7,175 | 477,162 |
| | | <hr/> | <hr/> |
| | | 8,247,108 | 8,416,157 |
| Creditors | | | |
| Amounts falling due within one year | 11 | (5,705,372) | (4,933,056) |
| | | <hr/> | <hr/> |
| Net current assets/ (liabilities) | | 2,541,736 | 3,483,101 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 16,174,948 | 19,357,595 |
| Creditors | | | |
| Amounts falling due after more than one year | 11 | (8,549,446) | (7,920,310) |
| | | <hr/> | <hr/> |
| Net assets | | 7,625,502 | 11,437,285 |
| | | <hr/> | <hr/> |
| Accumulated funds | | | |
| Unrestricted | 12, 13, 14 | 3,607,002 | 11,437,285 |
| Designated | 12, 13, 14 | 4,000,000 | - |
| | | <hr/> | <hr/> |
| | | 7,607,002 | 11,437,285 |
| Restricted | 12, 13, 14 | 18,500 | - |
| | | <hr/> | <hr/> |
| Total funds | | 7,625,502 | 11,437,285 |
| | | <hr/> | <hr/> |

These financial statements were approved by the Board of Directors and were signed on its behalf by:

David Sole

David Sole - 2023-05-09, 12:42:34 UTC

David MB Sole
Chair

Cash flow statement
for the year ended 31 December 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|--------------|
| Net cash used in operating activities | 15 | (57,026) | 1,806,813 |
| Cash flows from investing activities | | | |
| Interest received | | 41,569 | 502 |
| Investment income | | 323,257 | 370,619 |
| Payments to acquire fixed asset investments | | (1,454,253) | (14,310,003) |
| Receipts from sale of fixed asset investments | | 1,042,952 | 14,347,878 |
| Net cash flows from investing activities | | (46,475) | 408,996 |
| Net (decrease)/increase in cash and cash equivalents | | (103,501) | 2,215,809 |
| Cash and cash equivalents at the beginning of the year | | 6,662,864 | 4,447,055 |
| Cash and cash equivalents at end of the year | | 6,559,363 | 6,662,864 |
| Components of cash and cash equivalents | | | |
| Cash at bank and in hand | | 7,175 | 477,162 |
| Short term bank deposits | | 6,422,939 | 5,839,227 |
| Cash held as part of investment portfolio | | 129,249 | 346,475 |
| | | 6,559,363 | 6,662,864 |

Notes to the financial statements

1 Accounting policies

Charity information

Worldwide Cancer Research is a charitable private company registered in Scotland. The principal address is First Floor, Canning Exchange, 10 Canning Street, Edinburgh EH3 8EG.

Status of company and liability of members

Worldwide Cancer Research is a company limited by guarantee and does not have a share capital. Each member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the charitable company being wound up.

Basis of accounting

The financial statements are prepared under the historical cost convention modified by the fair value of investments and include the results of the operations of the charitable company as indicated in the Directors' report. The financial statements incorporate the requirements of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity has availed itself of section 396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 no 409 and adapted the Companies Act formats to reflect the special nature of its charitable activities.

These financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

Worldwide Cancer Research meets the definition of a public benefit entity under FRS 102.

The following is a summary of the significant accounting policies adopted by the charitable company in the preparation of the financial statements.

Going concern

At the time of approving the financial statements the Directors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for at least 12 months from this time.

Income

Donations are recognised on the basis of cash receipts.

Other trading activities income is derived from fundraising events and is recognised in the period in which the charitable company is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Legacies are included when the charitable company is advised by the personal representative of an estate that payment will be made, property transferred, or there is entitlement, probable and reliably measured. Where legacies have been notified to the charity, or the charity is aware of the granting of confirmation or probate and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is upon notification by our investment advisor of the dividend yield of the investment portfolio.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank

Notes to the financial statements (continued)

1 Accounting policies (continued)

Expenditure and irrecoverable VAT

All expenditure is included on an accruals basis and is recognised when there is a legal obligation or constructive obligation to pay for expenditure, it is probable settlement will be required and can be measured reliably. Irrecoverable VAT is charged against the category of resources expended for which it was incurred as follows:

- Raising funds include expenditure associated with investment management and fundraising costs.
- Charitable activities include expenditure associated with grant making and support costs allocated on a basis consistent with the use of resources.

Expenditure in connection with donor recruitment is written off as incurred. Amounts paid in advance for other fundraising are carried forward and written off in the period in which the funds are raised.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs (Marketing and Fundraising Costs, Staff and Other costs), which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of time spent on these activities within the charitable company's whole operations follows:

| | M&F | Staff | Other |
|--|-----|-------|-------|
| Raising funds – Fundraising and events costs | 76% | 53% | 20% |
| Charitable activities – grants and education | 24% | 47% | 80% |

Research grants for most projects and programmes are awarded on a multi-year basis, with an ongoing review process. Grants are recorded as creditors for the full award based on the date of the Scientific Advisory Committee decision as this creates a constructive obligation for the full grant period as the liability is probable.

Depreciation

The cost or valuation of fixed tangible assets is depreciated to their estimated residual value over their estimated useful economic lives as follows:

| | | |
|--------------------|---|--|
| Office equipment | - | 20% straight line |
| Computer equipment | - | 33 ¹ / ₃ % straight line |

The charitable company does not capitalise any expenditure on individual items, or groups of items, of less than £5,000.

Retirement benefits

The charitable company operates an auto-enrolment defined contribution pension scheme for eligible employees who have not opted out. Employees who have opted out continue to receive pension contributions to their personal pension schemes. The charge in the financial statements represents amounts payable to employees' personal pensions and the company pension scheme for the year.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

The charitable company only has financial assets and financial liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised as transaction value and subsequently measured at their settlement value.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Investments

Investments are included at fair value. Realised gains and losses, representing the difference between sale proceeds and cost or fair value are dealt with in the Statement of Financial Activities. Unrealised gains and losses, representing the movement in the fair value of investments over the financial year, or from their date of purchase if acquired during the financial year, are shown in note 9 and within the Statement of Financial Activities.

Unlisted investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Research grants

Research grants are awarded at the discretion of the Directors normally for periods of one, two or three years. Research grants that are awarded and payable are disclosed as creditors.

Funds

All income and expenditure is dealt with through the Statement of Financial Activities. Funds are classified as either restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority (eg by the restrictive wording of an appeal).

Unrestricted funds are expendable at the discretion of the Directors in furtherance of the objects of the charitable company.

Designated funds are unrestricted funds earmarked by the Directors for identifiable future expenditure. Transfers are made from designated funds to restricted funds to cover additional expenditure incurred on grants funded by those restricted funds.

2 Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Grant awards

Research grants for most projects and programmes are awarded on a multi-year basis, with an ongoing review process. Grants are recorded as creditors for the full award as at the date of the Scientific Advisory Committee decision, since this creates a constructive obligation for the full grant period as the liability is probable.

Legacies

Legacies are included in income when the charitable company is advised by the personal representative of an estate that payment will be made, property transferred, or there is entitlement. The amount involved must be reliably quantifiable and receipt must be probable. Legacies advised that meet these criteria will be accounted for as a receivable in current assets until such time as distributions are received from the estate.

Notes to the financial statements *(continued)*

3 Donations and legacies

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Donations from direct mail fundraising | 2,242,444 | 2,668,034 |
| Regular giving | 4,778,388 | 4,748,452 |
| Other fundraising | 589,334 | 353,010 |
| CJRS grants | - | 2,251 |
| | 7,610,166 | 7,771,747 |
| Legacies | 1,780,736 | 2,533,797 |
| | 9,390,902 | 10,305,544 |

In 2022, £84,500 (2021 - £52,465) of donations and legacies were restricted.

The charity is aware of 8 (2021: 12) estates where the charity has been named as a beneficiary, but it has not been possible to measure reliably the amount due to be paid. The criteria for income recognition have not been met in these cases and these legacies have therefore not been accrued into these financial statements.

4 Net expenditure

| | 2022 | 2021 |
|--|-------------|---------|
| | £ | £ |
| This is stated after charging/(crediting): | | |
| Auditor's remuneration | | |
| - audit services | 17,719 | 14,490 |
| - non-audit services | - | 942 |
| Depreciation | 22,371 | 31,298 |
| Operating lease rentals | 97,321 | 97,249 |
| | 137,411 | 144,979 |

Notes to the financial statements *(continued)*

5 Grants payable

| | 2022 £ | 2021 £ |
|--|--------------------|-------------|
| Reconciliation of grants payable | | |
| Commitments accrued at 31 December 2021 | 12,590,313 | 10,825,640 |
| | <hr/> | <hr/> |
| Commitments made in the year | 5,436,366 | 5,108,035 |
| Grants cancelled or recovered | (303,473) | (260,549) |
| | <hr/> | <hr/> |
| Grants payable for the year (note 6) | 5,132,893 | 4,847,486 |
| Grants paid during the year | (4,037,257) | (3,082,813) |
| | <hr/> | <hr/> |
| Commitments accrued at 31 December 2022 | 13,685,949 | 12,590,313 |
| | <hr/> <hr/> | <hr/> <hr/> |

Commitments accrued at 31 December 2022 are payable as follows:

| | 2022 £ | 2021 £ |
|------------------------------------|-------------------|-------------|
| Within one year (note 11) | 5,136,503 | 4,670,003 |
| After more than one year (note 11) | 8,549,446 | 7,920,310 |
| | <hr/> | <hr/> |
| | 13,685,949 | 12,590,313 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Grants are payable as follows: | | |
| Within 1 year | 5,136,503 | 4,670,003 |
| Between 1 - 2 years | 4,789,076 | 4,255,778 |
| Between 2 -5 years | 3,760,370 | 3,664,532 |
| | <hr/> | <hr/> |
| | 13,685,949 | 12,590,313 |
| | <hr/> <hr/> | <hr/> <hr/> |

Grants are applied as creditors based on the award letter date as this creates a constructive obligation.

Research grants into the causes, prevention, treatment and cure of cancer and associated conditions are paid quarterly in arrears, on application by the grant holder.

All research grants are payable to institutions. Details of grants awarded in the current year can be found in Note 19 of the financial statements.

Notes to the financial statements (continued)

6 Total expenditure including allocation of support costs

| | Fundraising costs | | Grants | | Education | | 2022 Total £ | 2021 Total £ |
|-------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|--------------------|--------------------|
| | Unrestricted £ | Restricted £ | Unrestricted £ | Restricted £ | Unrestricted £ | Restricted £ | | |
| 2022 | | | | | | | | |
| Grants (note 5) | - | - | 5,066,893 | 66,000 | - | - | 5,132,893 | 4,847,486 |
| Mailing Costs | 202,139 | - | - | - | 60,379 | - | 262,518 | 232,809 |
| Donor Recruitment | 2,069,176 | - | - | - | 618,065 | - | 2,687,241 | 1,369,740 |
| Office Costs | 497,659 | - | 211,878 | - | 160,736 | - | 870,273 | 984,806 |
| Bank Charges | 8,812 | - | 30,841 | - | 4,406 | - | 44,059 | 44,459 |
| Staff Costs (note 7) | 1,025,434 | - | 702,244 | - | 184,786 | - | 1,912,464 | 1,762,570 |
| Professional fees | 2,768 | - | 9,687 | - | 1,384 | - | 13,839 | 29,707 |
| Investment manager fees | 12,069 | - | 42,242 | - | 6,035 | - | 60,346 | 9,480 |
| Depreciation | 4,474 | - | 15,660 | - | 2,237 | - | 22,371 | 31,299 |
| Events costs | 13,725 | - | - | - | - | - | 13,725 | 28,276 |
| IT costs | 68,861 | - | 241,014 | - | 34,431 | - | 344,306 | 265,661 |
| Governance costs | 79,803 | - | 79,803 | - | - | - | 159,606 | 165,938 |
| | 3,984,920 | - | 6,400,262 | 66,000 | 1,072,459 | - | 11,523,641 | 9,772,231 |
| 2021 | | | | | | | | |
| | 3,036,380 | - | 5,967,304 | 52,465 | 720,331 | - | 9,772,231 | |

For costs which are attributable to more than one activity - including Marketing and Fundraising costs and Staff costs – the proportion of costs relating to each activity has been revised using estimates of where staff time is spent and the nature of the outputs of the activity.

Notes to the financial statements *(continued)*

6 Total expenditure including allocation of support costs (continued)

| Governance costs | 2022 | 2021 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Staff costs | 125,008 | 135,198 |
| Audit & Accountancy fees | 21,115 | 18,013 |
| Legal fees | 13,483 | 12,727 |
| | <u>159,606</u> | <u>165,938</u> |

7 Staff costs and remuneration of key management personnel

| | 2022 | 2021 |
|-----------------------|--------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,679,564 | 1,573,737 |
| Social security costs | 185,079 | 162,904 |
| Pension costs | 172,829 | 161,127 |
| | <u>2,037,472 *</u> | <u>1,897,768</u> |

* of which £125,008 is included in Governance Costs in Note 6 above.

The average number of employees was:

| 2022 | 2021 |
|-------------|-------------|
| 45 | 44 |
| <u>45</u> | <u>44</u> |

The numbers of employees receiving emoluments, including pension contributions, of greater than £60,000 ranged as follows:

| | 2022 | 2021 |
|---------------------|-------------|-------------|
| £100,000 - £110,000 | 1 | 1 |
| £ 80,000 - £ 90,000 | - | - |
| £ 70,000 - £ 80,000 | 3 | 3 |
| £ 60,000 - £ 70,000 | - | 1 |
| | <u>4</u> | <u>5</u> |

Included in staff costs are redundancy payments of £Nil (2021: £18,360). None of the Directors received any emoluments in respect of services provided during this or the preceding financial year. Directors travel expenses of £1347.25 were reimbursed in respect of two directors during the year (2021: £Nil)

Notes to the financial statements *(continued)*

7 Staff costs and remuneration of key management personnel (continued)

The remuneration of key management personnel is as follows:

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Salary | 105,060 | 102,000 |
| Employers' National Insurance Pension | 13,591 | 12,857 |
| | 10,506 | 10,200 |
| | 129,517 | 125,057 |
| | 129,517 | 125,057 |

8 Tangible fixed assets

| | Office furnishings and equipment £ | Computer equipment £ | Total £ |
|---|--|----------------------------|------------|
| 2022 | | | |
| Cost or valuation | | | |
| At 1 January 2022 and 31 December 2022 | 117,869 | 63,575 | 181,444 |
| | 117,869 | 63,575 | 181,444 |
| Depreciation | | | |
| At 31 December 2021 | 69,338 | 63,522 | 132,860 |
| Charge for year | 22,318 | 53 | 22,371 |
| | 91,656 | 63,575 | 155,231 |
| At 31 December 2022 | 91,656 | 63,575 | 155,231 |
| | 91,656 | 63,575 | 155,231 |
| Net book value | | | |
| At 31 December 2022 | 26,213 | - | 26,213 |
| | 26,213 | - | 26,213 |
| | 26,213 | - | 26,213 |
| At 31 December 2021 | 48,533 | 53 | 48,586 |
| | 48,533 | 53 | 48,586 |
| | 48,533 | 53 | 48,586 |

Notes to the financial statements *(continued)*

9 Investments

| | 2022 | 2021 |
|---|--------------------|-------------------|
| | £ | £ |
| Listed investments | 13,606,999 | 15,825,906 |
| Unlisted investments | - | 2 |
| | <hr/> | <hr/> |
| | 13,606,999 | 15,825,908 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | | £ |
| Historical cost at 31 December 2021 | | 15,056,646 |
| Unrealised profit | | 769,262 |
| | | <hr/> |
| Fair value at 31 December 2021 | | 15,825,908 |
| Movements during year: | | |
| Purchases | | 1,454,253 |
| Disposals | | (949,218) |
| Realised gain on disposals | | 96,761 |
| Decrease in unrealised appreciation | | (2,509,746) |
| Other movements including cash portfolio | | (310,989) |
| Fair value at 31 December 2022 | | 13,606,999 |
| | | <hr/> <hr/> |
| Historical cost at 31 December 2022 | | 15,347,453 |
| | | <hr/> <hr/> |
| Net (losses)/gains on investments: | 2022 | 2021 |
| Realised gains on sales of investments | 96,761 | 155,068 |
| Increase/(Decrease) in unrealised appreciation of investments | (2,509,746) | 605,933 |
| | <hr/> | <hr/> |
| | (2,412,985) | 761,001 |
| | <hr/> <hr/> | <hr/> <hr/> |

All listed investments are listed on a recognised Stock Exchange.

A cash balance of £129,249 (2021 - £346,475) is held within the charitable company's investment portfolio.

Notes to the financial statements *(continued)*

9 Investments *(continued)*

Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The charitable company has exposure to these risks because of the investments it makes to implement its investment strategy. The Directors manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the charitable company's strategic investment objectives. These investment objectives and risk limits are implemented through the investment manager agreements in place with the charitable company's investment managers and monitored by the Directors by regular reviews of the investment portfolios.

Further information on the Directors' approach to risk management and the charitable company's exposure to credit and market risks are set out below.

Credit risk

The charitable company invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Analysis of direct credit risk

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Directors carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager.

Pooled investment arrangements used by the charitable company comprise authorised unit trusts.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities.

Notes to the financial statements *(continued)*

9 Investments *(continued)*

Investment risks *(continued)*

Currency risk

The charitable company is subject to currency risk because some of the charitable company's investments are held in overseas markets, via the pooled investment vehicles.

Interest rate risk

The charitable company is subject to interest rate risk through investments comprising bonds.

Other price risk

Other price risk arises principally in relation to equities held in pooled vehicles. The charitable company manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

10 Debtors

| | 2022 £ | 2021 £ |
|-------------------------------|-----------|-----------|
| Partnership Grant Debtors | - | 114,728 |
| Consultancy work | 35,150 | - |
| Other debtors and prepayments | 1,781,844 | 1,985,040 |
| | 1,816,994 | 2,099,768 |
| | 1,816,994 | 2,099,768 |

11 Creditors

| | 2022 £ | 2021 £ |
|---------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Grants (note 5) | 5,136,503 | 4,670,003 |
| Accruals | 137,563 | 47,926 |
| Other creditors | 369,884 | 172,612 |
| Other taxes and social security costs | 61,422 | 42,515 |
| | 5,705,372 | 4,933,056 |
| | 5,705,372 | 4,933,056 |
| Amounts falling due after one year: | | |
| Grants (note 5) | 8,549,446 | 7,920,310 |
| | 8,549,446 | 7,920,310 |

Included within other creditors is deferred income of £28,578 (2021 - £nil) in relation to income received during the year ended 31 December 2022, for which entitlement arises in future accounting periods.

Notes to the financial statements *(continued)*

12 Accumulated funds

| | Unrestricted £ | Designated £ | Restricted £ | Total £ |
|---------------------|--------------------------|------------------------|------------------------|-------------------|
| 2022 | | | | |
| At 31 December 2021 | 11,437,285 | - | - | 11,437,285 |
| Income | 6,040,343 | 4,000,000 | 84,500 | 10,124,843 |
| Expenditure | (11,457,641) | - | (66,000) | (11,523,641) |
| Gains/losses | (2,412,985) | - | - | (2,412,985) |
| | <u>3,607,002</u> | <u>4,000,000</u> | <u>18,500</u> | <u>7,625,502</u> |
| | <u>Unrestricted</u> £ | <u>Designated</u> £ | <u>Restricted</u> £ | <u>Total</u> £ |
| 2021 | | | | |
| At 31 December 2020 | 9,522,350 | 107,516 | - | 9,629,866 |
| Income | 10,766,184 | - | 52,465 | 10,818,649 |
| Expenditure | (9,612,250) | (107,516) | (52,465) | (9,772,231) |
| Gains/losses | 761,001 | - | - | 761,001 |
| | <u>11,437,285</u> | <u>-</u> | <u>-</u> | <u>11,437,285</u> |

Notes to the financial statements (continued)

13 Restricted and designated funds

| | UK Restricted £ | Other Specified £ | Restricted Funds £ | Designated £ |
|--------------------------------------|--------------------------------|----------------------------------|-----------------------------------|--|
| 2022 | | | | |
| At 31 December 2021 | - | - | - | - |
| Incoming resources | 50,000 | 34,500 | 84,500 | 4,000,000 |
| Outgoing resources | (50,000) | (16,000) | (66,000) | - |
| Transfer to/from restricted funds | - | - | - | - |
| At 31 December 2022 | <u>-</u> | <u>18,500</u> | <u>18,500</u> | <u>4,000,000</u> |
| 2021 | UK Restricted £ | Other Specified £ | Restricted Funds £ | Designated Prostate Cancer Fund £ |
| At 31 December 2020 | - | - | - | 107,516 |
| Incoming resources | 50,000 | 2,465 | 52,465 | - |
| Outgoing resources | (50,000) | (2,465) | (52,465) | (107,516) |
| Transfer to/from restricted funds | - | - | - | - |
| At 31 December 2021 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The incoming resource of £50,000 in 2022 represented a very generous philanthropic donation focused on funding UK based research which was used for this purpose over the year. There were also a number of generous trust donations restricted to specific projects or cancer types. The restricted balance carried forward relate to a project that will commence in 2023.

The Board has designated £4m of the charity's reserves to support higher levels of research funding over the next two to three years.

Notes to the financial statements (continued)

14 Analysis of net assets between funds

| | Unrestricted £ | Designated £ | Restricted £ | Total £ |
|---------------------------------|-------------------|------------------|-----------------|-------------------------|
| 2022 | | | | |
| Fixed assets | 26,213 | - | - | 26,213 |
| Investments | 9,606,999 | 4,000,000 | - | 13,606,999 |
| Cash at bank and in hand | 7,175 | - | - | 7,175 |
| Other net current assets | 2,516,061 | - | 18,500 | 2,534,561 |
| Creditors of more than one year | (8,549,446) | - | - | (8,549,446) |
| | <u>3,607,002</u> | <u>4,000,000</u> | <u>18,500</u> | <u>7,625,502</u> |
| | £ | £ | £ | £ |
| 2021 | | | | |
| Fixed assets | 48,586 | - | - | 48,586 |
| Investments | 15,825,908 | - | - | 15,825,908 |
| Cash at bank and in hand | 477,162 | - | - | 477,162 |
| Other net current liabilities | 3,005,939 | - | - | 3,005,939 |
| Creditors of more than one year | (7,920,310) | - | - | (7,920,310) |
| | <u>11,437,285</u> | <u>-</u> | <u>-</u> | <u>11,437,285</u> |

15 Reconciliation of net income to net cash from operating activities

| | 2022 £ | 2021 £ |
|---|---------------------------|------------------|
| Net (expenditure)/income | (3,811,783) | 1,807,419 |
| Income shown in investing activities | (364,826) | (371,121) |
| Net realised and unrealised losses/(gains) on investments | 2,412,985 | (761,001) |
| Depreciation | 22,371 | 31,297 |
| | <u>(1,741,253)</u> | <u>706,594</u> |
| Decrease/(Increase) in debtors | 282,774 | (745,835) |
| Increase/(Decrease) in creditors | 1,401,453 | 1,846,054 |
| | <u>(57,026)</u> | <u>1,806,813</u> |

Notes to the financial statements *(continued)*

16 Commitments under operating leases

| | 2022 | 2021 |
|---|--------|---------|
| | £ | £ |
| Total future minimum lease payments under non-cancellable operating leases, due: | | |
| Not later than one year | 97,321 | 97,129 |
| Later than one year and not later than five years | 1,459 | 99,954 |
| | 98,780 | 197,083 |
| | 98,780 | 197,083 |

17 Related parties

Professor Paul J Coffey has links with the University Medical Center, Utrecht, Professor Kevin J Hiom has links with the University of Dundee, and Professor Iain A McNeish has links with Imperial College London. Grants may be awarded to these Universities.

In November 2018, prior to his appointment as a Director, a grant of £190,955 was awarded to Professor Paul Coffey for a three-year research project that commenced in April 2019. At the year end, £nil (2021 - £80,881) remained payable on this grant award.

In October 2020, during his appointment as Director, a grant of £190,514 was awarded to Professor Kevin Hiom for a two-year project that commenced in May 2021. At the year end, £122,757 (2021 - £177,133) remained payable on this grant award.

The Directors are satisfied that the stringent and independent nature of the Scientific Advisory Committee's ensures that there is no conflict of interest.

18 Financial instruments

| | 2022 | 2021 |
|--|------------|------------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Financial assets measured at fair value | 13,606,999 | 15,825,908 |
| | 13,606,999 | 15,825,908 |

Financial assets measured at fair value through the statement of financial activities are listed investments. Fair value of investments is market value at balance sheet date.

Notes to the financial statements *(continued)*

19 Grants awarded to institutions

| | 2022 | |
|--|------------------|-------------|
| | £ | |
| Consejo Superior Investigaciones Cientificas and Universidad Autonoma de Madrid - CSIC-UAM | 166,604 | |
| University of Liege | 155,122 | |
| Ben Gurion University of the Negev | 250,000 | |
| Karolinska Institutet | 241,404 | |
| INSERM DR PARIS 7 | 180,069 | |
| CNRS - DR13 | 194,800 | |
| The Walter and Eliza Hall Institute of Medical Research | 219,990 | |
| University College London | 206,095 | |
| Monash University | 212,615 | |
| Radboud University Medical Center | 199,969 | |
| Institut Pasteur | 201,000 | |
| Yale University | 249,854 | |
| Weill Cornell Medical College | 249,769 | |
| University of Cambridge | 248,286 | |
| Imperial College London | 249,791 | |
| VIB vzw | 222,243 | |
| University of Trento | 190,000 | |
| Fundació Clínic per a la Recerca Biomèdica (FCRB) | 215,736 | |
| Queen Mary University of London | 143,251 | |
| Medical University of Graz | 198,178 | |
| University of Bradford | 194,381 | |
| Università Vita-Salute San Raffaele | 215,275 | |
| Institute of Cancer Research, London | 247,862 | |
| University of East Anglia | 119,726 | |
| University of Edinburgh | 196,193 | |
| Fundacio Institut Mar d'Investigacions Mèdiques (IMIM) | 237,910 | |
| Monash University | 200,193 | |
| University of Zurich | 181,252 | |
| University of Turku | 229,125 | |
| Trinity College Dublin | 219,553 | |
| | | 2021 |
| | | £ |
| Full award value including contribution from co-funders | 6,232,246 | 5,221,605 |
| | <hr/> | <hr/> |
| Contribution from co-funders on 8 (2021: 3) projects | 799,880 | 329,112 |
| | <hr/> | <hr/> |
| | 5,436,366 | 4,892,493 |
| | <hr/> <hr/> | <hr/> <hr/> |